

RESOLUTION OF THE CALIFORNIA HOUSING FINANCE
AGENCY CONCERNING FINANCING OF PURCHASE OF LOANS RELATED
TO NEIGHBORHOOD PRESERVATION PROGRAM

1 WHEREAS, the California Housing Finance Agency (the "Agency")
2 has determined that there exists a need in California for finan-
3 cial assistance for the purchase, rehabilitation or making of
4 general repairs and improvements to residential structures of not
5 more than four dwelling units (the "Residential Structures")
6 located in areas of substantial deterioration of residential
structures, and in areas in which there is a recent history of
mortgage deficiency, but in which deterioration has not progressed
so far that there exists a substantial number of residential
structures which do not conform to rehabilitation standards;

7 WHEREAS, the Agency has determined that it is in the public
8 interest for the Agency to provide such financial assistance by
9 means of a program to purchase loans to finance Residential
10 Structures or to finance the rehabilitation or general repairs or
11 improvements to Residential Structures (the "Loans"), each such
Loan being insured for at least the first fifty percent (50%) of
the principal amount and accrued interest of the Loan by one or
more of the following entities; the United States Government or an
agency or instrumentality thereof, the Agency, or private mortgage
quaranty insurers; or guaranteed by the VA,

12 WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing and
13 Home Finance Act (the "Act") the Agency has the authority to issue
14 bonds to provide sufficient funds to finance the purchase of Loans,
the payment of interest on the bonds, the establishment of reserves
to secure the bonds, and other expenditures of the Agency incident
to, and necessary or convenient to the issuance of the bonds,

15 WHEREAS, the Board of Directors of the Agency has approved the
16 submission to the Housing Bond Credit Committee of a statement of
17 the purpose for which the Agency proposes to issue its Home Owner-
ship and Home Improvement Revenue Bonds, 1977 Series A (Insured
Loans) (the "Bonds") and the amount of the proposed issuance, and

18 WHEREAS, final approval of the terms of the offering of the
19 Bonds, and of the Bonds and the authorization of the sale of the
Bonds will be considered at a later meeting of the Authority;

20 NOW, THEREFORE, BE IT RESOLVED by the California Housing
Finance Agency as follows:

21 Section 1. Pursuant to the Act, and subject to the approval of
22 the Housing Bond Credit Committee, the issuance of revenue bonds of
23 the Agency, designated as "California Housing Finance Agency Home
24 Ownership and Home Improvement Revenue Bonds, 1977 Series A
(Insured Loans)," in an aggregate principal amount not exceeding
twenty-five million dollars (\$25,000,000) (the "Bonds"), is hereby
approved in principle.

25 Section 2. The Agency hereby acknowledges receipt of the pro-
26 posed form of Indenture. The Agency has reviewed said proposed
27 Indenture and hereby approves in principle said proposed Indenture
as presented to this meeting. The Vice-Chairman and the President
are hereby authorized and directed, for and on behalf and in the
name of the Agency to take such actions as may be necessary to
cause the final preparation of an Indenture which conforms in
principle to said proposed Indenture.

1 Section 3. The President is hereby authorized and directed,
2 for and on behalf and in the name of the Agency to notify the State
3 Treasurer of the amount of the proposed Bonds and to select a date
4 for the sale of the Bonds with the concurrence of the State
5 Treasurer.

6 Section 4. The President and other officers of the Agency are
7 hereby authorized and directed, jointly and severally, to do any
8 and all things and to execute and deliver any and all documents
9 which they may deem necessary or advisable in order to prepare the
10 proposed Bonds and proposed Indenture for final approval by the
11 Agency and otherwise to effectuate the purposes of this resolution.

12 Section 5. The President of the Agency (the "President") is
13 hereby authorized to circulate a Preliminary Official Statement
14 substantially similar to the form presented to the meeting with
15 such changes therein as he may approve after consulting with
16 counsel, the prospective underwriters and such persons as he deems
17 appropriate.

18 Section 6. The President is further authorized to hold an in-
19 formation meeting on the proposed Bonds and to distribute other
20 information and material relating to the proposed Bonds.

21 Section 7. The President and other officers of the Agency are
22 hereby authorized and directed, jointly and severally, to do any
23 and all things and to execute and deliver any and all documents
24 which they may deem necessary or advisable in order to accomplish
25 the circulation of the Preliminary Official Statement, the holding
26 of an information meeting concerning the proposed Bonds, the dis-
27 tribution of other information and material relating to the pro-
posed Bonds and otherwise to effectuate the purposes of this
resolution.

28 Section 8. The proposed form of Application and Commitment
29 (Forward Commitment Loan Purchase Agreement) (the "Application and
30 Commitment") (pursuant to which an approved FHA or VA mortgagee
31 which is an approved seller and servicer of the Federal National
32 Mortgage Association or the Federal Home Loan Mortgage Corporation
33 and which has been actively engaged in the business of originating
34 and servicing Loans during the previous three years (the
35 "Applicant"), offers to sell to the Agency Loans secured by
36 mortgages, and the Agency may accept such offer), as presented to
37 this meeting, is hereby approved.

38 The President and other officers of the Agency are hereby autho-
39 rized and directed for and on behalf and in the name of the Agency
40 to receive said Applications and Commitments in substantially said
41 form, with such changes therein as the officer executing the Notice
42 of Acceptance may require or approve, and to execute and deliver
43 to Applicants Notices of Acceptance incorporated in said Applica-
44 tions and Commitments. Approval of changes in an Application and
45 Commitment is to be conclusively evidenced by the execution and
46 delivery of the Notice of Acceptance.

1 Section 9. The proposed form of Forward Commitment Loan
2 Purchase Agreement (incorporated by reference in the Application
3 and Commitment and pursuant to which the seller agrees to sell,
4 and the Agency agrees to purchase Loans secured by Mortgages), as
5 presented to this meeting, is hereby approved. The President and
6 other officers of the Agency are hereby authorized and directed for
and on behalf and in the name of the Agency to execute, acknowledge
and deliver to sellers Forward Commitment Loan Purchase Agreements
in substantially said form, with such changes therein as the
officer executing the same may require or approve, such approval to
be conclusively evidenced by the execution and delivery thereof.

7 Section 10. The proposed form of Servicing Agreement (pursuant
8 to which an approved servicer of conventional loans for the Federal
9 National Mortgage Association and/or for the Federal Home Loan
10 Mortgage Corporation or a qualified mortgagee for FHA insured or
11 VA guaranteed loans (the "Servicer") agrees to service Loans
12 secured by mortgages which are subject to said Servicing Agreement,
13 and in return the Agency agrees to allow the Servicer to make cer-
14 tain deductions from the portion of payments by borrowers applicable
to interest), as presented to this meeting, is hereby approved. The
President and other officers of the Agency are hereby authorized
and directed for and on behalf and in the name of the Agency to
execute, acknowledge and deliver to Servicers Servicing Agreements
in substantially said form, with such changes therein as the officer
executing the same may require or approve, such approval to be con-
clusively evidenced by the execution and delivery thereof.

15 Section 11. The proposed form of Purchase Agreement (pursuant
16 to which the seller agrees to sell, and the Agency agrees to pur-
17 chase Loans secured by mortgages), as presented to this meeting is
18 hereby approved. The President and other officers of the Agency
19 are hereby authorized and directed for and on behalf and in the
20 name of the Agency to execute, acknowledge and deliver to sellers
21 Purchase Agreements in substantially said form, with such changes
22 therein as the officer executing the same may require or approve,
23 such approval to be conclusively evidenced by the executive and de-
24 livery thereof.

25 Section 12. The President and other officers of the Agency are
26 hereby authorized and directed, jointly and severally, to do any
27 and all things and to execute and deliver any and all documents
which they may deem necessary or advisable in order to consummate
the execution and delivery of Applications and Commitments (Forward
Commitment Loan Purchase Agreement), Forward Commitment Loan
Purchase Agreements, Servicing Agreements and Purchase Agreements
and otherwise to effectuate the purposes of this resolution.

I hereby certify that this is a true and correct copy of Resolution
77-68 adopted at a duly constituted meeting of the Board of
Directors of the California Housing Finance Agency held on _____

November 15, 1977.

Attest


Stuart Honse
Secretary